

**PUBLIC DISCLOSURE**

MAY 27, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

HYDE PARK SAVINGS BANK

1196 RIVER STREET  
BOSTON, MA 02136

DIVISION OF BANKS  
ONE SOUTH STATION  
BOSTON, MA 02110

<p><b>NOTE:</b> This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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## **GENERAL INFORMATION**

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **HYDE PARK SAVINGS BANK** prepared by the Massachusetts Division of Banks, the institution's supervisory agency, as of **MAY 27, 2003**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

### **INSTITUTION'S CRA RATING: This institution is rated "High Satisfactory"**

Hyde Park Savings Bank's (HPSB) overall High Satisfactory rating was measured on three performance criteria: the Lending Test, the Investment Test, and the Service Test and covers the period January 1, 2001 through June 3, 2003. Ratings for each of the three tests are identified on page 3. The bank's performance in each of these areas is summarized below.

#### **Lending Test**

The bank originated the majority of its HMDA-reportable loans within its assessment area. The geographic distribution of loans reflects a good penetration throughout the assessment area. Based on the products reviewed, the lending distribution by borrower profile shows an excellent penetration among retail customers of various income levels, especially when compared to the aggregate. Hyde Park Savings Bank has made a reasonable level of community development loans for an institution of its size and resources. The bank also makes use of several innovative and flexible-lending programs, to better serve the assessment area's credit needs, particularly those of low and moderate-income individuals.

#### **Investment Test**

HPSB has a good level of qualified community development investments and grants. The bank uses innovative and/or complex investments to help support community development initiatives. The bank has also exhibited a good responsiveness to credit and community economic development needs.

## **Service Test**

HPSB's retail delivery systems are accessible to all geographies and individuals of various income levels within the assessment area. The bank's services are designed to meet the needs of the assessment area, with specific services benefiting low and moderate-income individuals. Bank personnel have provided a good level of service activities primarily for community development purposes that are related to the provision of financial services. Bank officers and employees donate their time and expertise through their volunteer efforts in a variety of public service, charitable, and youth organizations, particularly those that serve low and moderate-income individuals within the assessment area. The bank's record of offering and participating in credit education seminars is considered good.

### **LENDING, INVESTMENT, AND SERVICE TEST TABLE**

The following table indicates the performance level of **Hyde Park Savings Bank, Boston, MA** with respect to the lending, investment, and service tests.

<b>PERFORMANCE TESTS</b> <b>Hyde Park Savings Bank</b>			
<b>Performance Levels</b>	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	<b>X</b>	<b>X</b>	<b>X</b>
Satisfactory			
Needs to Improve			
Substantial Non-Compliance			

\*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

## **PERFORMANCE CONTEXT**

### **Description of Institution**

Hyde Park Savings Bank (HPSB) is a large state-chartered mutual savings bank established in 1871 and headquartered in the Hyde Park neighborhood of Boston Massachusetts. The institution also operates three other offices that provide full banking services, which are located in Hyde Park, Dedham and Norwood.

As of the March 31, 2003 FFIEC Quarterly Call Report, the bank had \$651,495,000 in assets, 23.1 percent of which were in the form of loans. The bank is predominantly a real estate lender, with 99.4 percent of its loan portfolio centered in residential and/or commercial real estate. The bank's low loan to asset percentage can be attributed to the bank's historical growth. Since December 31, 2001, the bank's assets have grown by 16.9 percent while loans have grown by only 2.4 percent.

The following table depicts the composition of Hyde Park Savings Bank's loan portfolio:

<b>Loan Portfolio as of March 31, 2003</b>		
Type of Loans	\$ (000s)	%
Residential Real Estate		
a. 1-4 Family Mortgages	146,167	97.3
b. Home Equity Lines	822	0.5
Multifamily	1,830	1.2
Commercial Loans		
a. Commercial Real Estate	588	0.4
b. Commercial & Industrial Loans	42	0.0
Consumer Loans	1,061	0.6
Total Gross Loans net of unearned income	150,510	100.0

Source: 3/31/03 Call Report

During 2002, the bank purchased 27 loans totaling \$5.1 million from a mortgage company. In February 2003, the bank purchased 37 loans totaling \$7.8 million.

Aggregate data utilized for lending performance purposes indicates that Hyde Park Savings Bank is operating in an extremely competitive mortgage market. Aggregate data, generated by PCI Services, Inc. CRA WIZ, consists of 392 (both large and small) mortgage

companies, savings banks, commercial banks, cooperative banks, and credit unions, which have originated and/or purchased residential mortgage and/or home improvement loans within the bank's assessment area in 2001.

Local competitors include but are not limited to the following: Fleet National Bank, Hyde Park Cooperative Bank, Dedham Institution for Savings, Citizens Bank of Massachusetts, as well as representatives of regional and national mortgage companies. The market influence from these institutions appears to be significant, and as a result serves to keep the bank's rates and services offered competitive.

The bank has an active CRA Committee consisting of the Chairman, President & CEO, the Vice President of Operations, Vice President of Human Resources, Vice President & Treasurer, and the Vice President & Residential Mortgage Officer. Outside members include two of the bank's Corporators, one of whom is the bank Counsel, and the other the bank's marketing consultant. The Committee meets quarterly and may include the Board of Trustees to make use of their business and personal relationships for the betterment of the community as a whole.

There are no financial or legal impediments that would limit the bank's ability to meet the credit needs of the assessment area. The Federal Deposit Insurance Corporation (FDIC) last examined the bank for CRA compliance on May 9, 2001. That examination resulted in an overall rating of Satisfactory. The Division of Banks last examined the bank's performance with respect to CRA on November 13, 2000. That examination resulted in an overall rating of Satisfactory.

## **DESCRIPTION OF INSTITUTION**

The Community Reinvestment Act (CRA) requires financial institutions to define an assessment area within which the bank will concentrate its lending efforts. The Division of Banks (Division) evaluates the institution's CRA performance based on the defined assessment area. During 2001 and 2002, the bank's assessment area was comprised of Hyde Park, Mattapan, Roslindale, and West Roxbury (four neighborhoods within the City of Boston), all of which are located in Suffolk County. The assessment area also includes the five Towns of Canton, Dedham, Milton, Norwood, and Westwood. In January 2003, the bank eliminated Westwood from its assessment area due to lack of activity and added Walpole. All these towns are located in Norfolk County. Demographic analysis of the assessment areas as they were configured in 2001, 2002 and 2003 was conducted. Year 2003 was evaluated based upon the 2000 Census.

### **Assessment Area 2001 and 2002**

The assessment area is comprised of 45 census tracts, of which one or 2.2% is designated as low-income; 11 or 24.4%, as moderate-income; 21, or 46.7%, as middle-income; and 12 or 26.7%, as upper-income. The one low-income census tract is located in Roslindale. The 11 moderate-income census tracts are located in Roslindale (4), Mattapan (4), Hyde Park (2) and West Roxbury (1).

Demographic data obtained from CRA WIZ, based on 1990 census data, indicates that the bank's assessment area contains a total population of 221,924 individuals. There are 85,042 housing units within the assessment area, of which 60.0 percent are owner-occupied, 35.6 are percent renter-occupied and 4.4 percent are vacant. In addition, 6.6 percent of the households in the assessment area are below the poverty level.

The following table provides demographic and economic information pertaining to the bank's assessment area.

<b><i>Selected Housing Characteristics by Income Category of the Geography</i></b>							
<b><i>Geographic Income Category</i></b>	<b><i>Percentage</i></b>						<b><i>Median Home Value</i></b>
	<b><i>Census Tracts</i></b>	<b><i>Households</i></b>	<b><i>Housing Units</i></b>	<b><i>Owner-Occupied</i></b>	<b><i>Rental Units</i></b>	<b><i>Vacant Units</i></b>	
<i>Low</i>	2.2	0.0	0.0	0.0	0.0	0.0	N/A
<i>Moderate</i>	24.4	24.9	25.1	15.8	40.1	31.1	\$150,762
<i>Middle</i>	46.7	53.1	53.2	54.6	50.5	55.0	\$172,116
<i>Upper</i>	26.7	22.0	21.7	29.6	9.4	13.9	\$227,528
<b><i>Total or Median</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>\$178,730</i></b>

Source: 1990 U.S. Census

### **Assessment Area 2003**

The assessment area as of 2003 is comprised of 47 census tracts, of which one or 2.1% is designated as low-income; 10 or 21.3%, as moderate-income; 26, or 55.3%, as middle-income; and 10 or 21.3%, as upper-income. The one low-income census tract is located in Mattapan. The 10 moderate-income census tracts are located in Roslindale (3), Mattapan (3), Hyde Park (3) and West Roxbury (1).

Demographic data obtained from CRA WIZ, based on 2000 census data, indicates that the bank's assessment area contains a total population of 237,059 individuals. There are 91,028 housing units within the assessment area of which 62.6 percent are owner-occupied, 34.6 percent are renter-occupied and 2.8 percent are vacant. In addition, 8.0 percent of the households in the assessment area are below the poverty level.



The following table provides demographic and economic information pertaining to the bank's assessment area.

<b><i>Selected Housing Characteristics by Income Category of the Geography</i></b>							
<b><i>Geographic Income Category</i></b>	<b><i>Percentage</i></b>						<b><i>Median Home Value</i></b>
	<b><i>Census Tracts</i></b>	<b><i>Households</i></b>	<b><i>Housing Units</i></b>	<b><i>Owner-Occupied</i></b>	<b><i>Rental Units</i></b>	<b><i>Vacant Units</i></b>	
<i>Low</i>	2.1	1.8	1.8	0.7	3.6	4.0	\$130,700
<i>Moderate</i>	21.3	22.2	22.3	14.6	35.9	24.4	\$165,129
<i>Middle</i>	55.3	53.0	53.0	54.7	49.8	53.3	\$215,696
<i>Upper</i>	21.3	23.0	22.9	30.0	10.7	18.3	\$284,577
<b><i>Total or Median</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>100.0</i></b>	<b><i>\$218,679</i></b>

Source: 2000 U.S. Census

As indicated by the tables above, there was a change in the assessment area's demographic make-up from the 1990 to 2000 census data. The 2000 census shows an increase of two tracts from 45 to 47. Moderate-income tracts decreased by one, middle-income tracts saw an increase of five, and the upper-income tracts decreased by one. Low-income tracts remained the same.

An additional change occurred in January 2003, when the bank decided to amend its assessment area by adding the Town of Walpole and removing the Town of Westwood. Westwood contained three upper-income census tracts and Walpole contains two upper-income and one middle-income census tract. The census tracts in Mattapan, Roslindale, West Roxbury, Hyde Park, Dedham, and Milton also had changes.

The assessment area has urban and suburban sectors within its boundaries. The urban area is comprised of the four Boston neighborhoods. These neighborhoods are located in the southeastern portion of the city. Census data indicates that the neighborhood of Mattapan is the least prosperous of the four communities. Mattapan is comprised of four census tracts with median family income that range from 47.1 percent to 67.5 percent of the Boston MSA median family income.

West Roxbury is the most affluent of the Boston neighborhoods included in the assessment area. West Roxbury is a residential section of Boston and contains more single-family homes than any other section of the city. The suburban part of the assessment area is more residential in character. However, Dedham and Norwood in particular have a strong commercial and retail economic base.

The distinct economic and demographic differences between the urban and suburban sectors within the assessment area are evident. The urban segment is more densely populated and ethnically diverse. The urban area is also generally less affluent and has a higher proportion of its population living in rental housing units. In contrast, the suburban segment is more residential in character and has a greater proportion of owner-occupied,

single family homes. Refer to the following tables for additional information concerning the assessment area's housing and income characteristics.

Housing Characteristics								
Assessment Area	Total Housing Units	Type of Unit (%)				Occupancy Status (%)		
		Single Units	2-4 Units	5+ Units	All Other	Owner Occupied	Rental	Vacant
Urban Segment	44,597	36.7	43.2	19.7	0.4	51.6	45.2	3.2
Suburban Segment	46,431	67.1	18.4	14.5	0.0	73.1	24.4	2.5
Total Assessment Area	91,028	52.2	30.6	17.0	0.2	62.6	34.6	2.8

Income Characteristics							
Assessment Area	Total Population	Total Households	Median Household Income	Income Category (%)			
				Low	Moderate	Middle	Upper
Urban Segment	115,301	43,203	\$46,872	29.6	18.7	19.8	31.9
Suburban Segment	121,758	45,326	\$68,809	18.1	13.1	18.2	50.6
Total Assessment Area	237,059	88,529	\$58,103	23.7	15.8	19.0	41.5

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

### **LENDING TEST**

The institution's Lending Test performance was rated an overall "High Satisfactory." The institution's lending efforts are rated under seven major performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending Practices, Fair Lending, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the bank's performance.

#### **Scope of Evaluation**

The lending test evaluates an institution's record of helping to meet the credit needs of its assessment area based on an analysis of loans reported under the Home Mortgage Disclosure Act, as well as community development loans and flexible and innovative loans. HMDA reportable loans originated during 2001, 2002 and year-to-date June 3, 2003 were included in the bank's performance.

The data used to evaluate the bank's lending was derived from the HMDA/LAR (Home Mortgage Disclosure Act/ Loan Application Register) and the bank's CRA Disclosure Statement.

#### **I. Lending Activity**

The bank had total assets of \$651 million as of March 31, 2003. Net loans totaled \$149 million or 22.9 percent of total assets. Lending on one-to-four family residential properties represents the largest portion of the bank's loan portfolio.

The bank's net loans and leases to assets ratio was 23.9 percent as of December 31, 2002. The peer group's net loans and leases to assets ratio for the same time was 62.3 percent, placing the bank in the 2nd percentile. The bank's ratio is lower than peer; however, it should be noted that the UBPR determines a peer ratio based on similarly sized banks nationwide without regard to regional or state differences.

#### **HMDA-Reportable Loans**

For the period reviewed, Hyde Park Savings Bank originated and purchased 890 HMDA-reportable loans totaling \$145 million. Of these loans, 585 representing 65.7 percent of the total loans were within the assessment area. By dollar amount, these loans totaled \$93 million or 63.9 percent of all loans. It should be noted that of the loans originated and purchased within the assessment area, 519 or 88.7 percent were for refinances and 9.6 percent were for conventional home purchases.

Hyde Park accounted for the largest percentage of loans by number with 23.4 percent, followed by Dedham with 11.1 percent and Milton with 7.4 percent. Hyde Park also accounted for the largest dollar volume of loans with 22.1 percent, followed by Dedham with 10.5 percent and Roslindale with 7.3 percent. Refer to the following tables for additional information regarding the bank's HMDA-reportable lending, by both number and dollar volume.

<b><i>Distribution of HMDA Reportable Loans Inside and Outside of the Assessment Area</i></b>								
<b><i>Year</i></b>	<b><i>Inside</i></b>				<b><i>Outside</i></b>			
	<b><i>Number of Loans</i></b>		<b><i>Dollar in Loans (000s)</i></b>		<b><i>Number of Loans</i></b>		<b><i>Dollars in Loans (000s)</i></b>	
	<b><i>#</i></b>	<b><i>%</i></b>	<b><i>\$</i></b>	<b><i>%</i></b>	<b><i>#</i></b>	<b><i>%</i></b>	<b><i>\$</i></b>	<b><i>%</i></b>
<b><i>2001</i></b>	151	64.5	22,583	63.3	83	35.5	13,078	36.7
<b><i>2002</i></b>	231	62.1	36,976	60.8	141	37.9	23,823	39.2
<b><i>YTD 2003</i></b>	203	71.5	32,970	68.4	81	28.5	15,264	31.6
<b><i>Total</i></b>	<b>585</b>	<b>65.7</b>	<b>92,529</b>	<b>63.9</b>	<b>305</b>	<b>34.3</b>	<b>52,165</b>	<b>36.1</b>

Source: HMDA /LAR, CRA Wiz

In 2001, Hyde Park Savings Bank ranked 21st in market share out of 392 HMDA reportable lenders in the assessment area which is reasonable given the competitive environment in which the bank operates and the number of much larger regional banks and mortgage companies within the assessment area. The bank originated and purchased 151 loans in the assessment area giving the bank a 1.0 percent market share. The top lender in the assessment area was Washington Mutual Bank with 1,193 loans and a 7.5 percent share of the market.

As indicated in the table above, the bank's HMDA reportable loans have increased substantially each year. This increase can be attributed to the low interest rate environment resulting in an inordinate number of refinances during the period under review.

Based on the above information, the bank's distribution of residential lending reflects a reasonable penetration inside the assessment area.

## II. Geographic Distribution by Census Tract Income Level

HMDA-reportable loans located within the bank's assessment area were further analyzed to determine their location by census tract income level.

### 2001-2002 HMDA-Reportable Loans

The table below shows the number of HMDA- reportable loans in comparison to the number of owner-occupied housing units in each census tract for calendar years 2001 and 2002 based on the 1990 census data. In addition, the bank's HMDA reportable loans were compared to that of all other HMDA-reporters in the assessment area. Other HMDA reporters include bank and non-bank entities such as large national banking companies, other local banks, credit unions and mortgage companies. The most recent data available for this analysis relates to calendar year 2001. Refer to the following table for details.

<i><b>Distribution of HMDA Loans by Income Category of the Census Tract</b></i>								
<b>Census Tract Income Level</b>	<b>% Total Owner-Occupied Housing Units</b>	<b>2001 Aggregate Lending Data (% of #)</b>	<b>2001</b>		<b>2002</b>		<b>Total</b>	
		<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<i>Low</i>	0.0	0.0	0	0.0	0	0.0	0	0.0
<i>Moderate</i>	15.8	18.1	32	21.2	47	20.3	79	20.7
<i>Middle</i>	54.6	52.4	99	65.6	147	63.6	246	64.4
<i>Upper</i>	29.6	29.5	20	13.2	37	16.0	57	14.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>151</b>	<b>100.0</b>	<b>231</b>	<b>100.0</b>	<b>382</b>	<b>100.0</b>

Source: 1990 U.S. Census, HMDA LAR, and HMDA Aggregate Data

According to the above table, 20.7 percent of the bank's total loans for the period reviewed were within moderate-income census tracts. Lending activity exceeds the percentage of owner-occupied housing units in these tracts, which stood at 15.8 percent. As depicted above, no loans were granted in the one low-income census tract in the bank's assessment area. The low-income census tract is located in Roslindale and contains 19 housing units and only 9 of those are owner-occupied.

As demonstrated above, the percentage of the bank's lending in moderate-income census tracts exceeds the 2001 aggregate. Hyde Park Savings Bank's lending activity in the moderate-income census tracts was 21.2 percent in 2001 in comparison to the aggregate, which originated 18.1 percent.

In 2001, the bank ranked 20th in market share for lending in moderate-income census tracts within its assessment area. The bank originated 32 HMDA-reportable loans in these census tracts representing 1.10 percent of the market. The number one lender was Fleet National Bank with 245 loans or 8.45 percent of the market share.

### 2003 HMDA-Reportable Loans

The following table shows the number of HMDA reportable loans in comparison to the number of owner-occupied housing units in each census tract for the calendar year 2003 based on the 2000 census data.

<i><b>Distribution of HMDA Loans by Income Category of the Census Tract</b></i>			
<i><b>Census Tract Income Level</b></i>	<i><b>Total Owner-Occupied Housing Units</b></i>	<i><b>2003</b></i>	
	<i><b>%</b></i>	<i><b>#</b></i>	<i><b>%</b></i>
<i>Low</i>	0.7	1	0.5
<i>Moderate</i>	14.6	32	15.8
<i>Middle</i>	54.7	136	67.0
<i>Upper</i>	30.0	34	16.7
<i><b>Total</b></i>	<i><b>100.0</b></i>	<i><b>203</b></i>	<i><b>100.0</b></i>

Source: 2000 U.S. Census, HMDA/LAR, and HMDA Aggregate Data

According to the above table, the percentage of the bank's loans for the period originated within the low and moderate-income census tracts mirrors the percentage of owner-occupied housing units in these tracts based on the new 2000 census data. The low-income census tract is now located in Mattapan and contains over 1,600 housing units of which only 25 percent are owner-occupied.

Based on the above information, the bank's distribution of HMDA-reportable loans by census tract income level reflects a good dispersion of loans throughout the assessment area, given the strong level of competition within the assessment area. In addition, the number of HMDA reportable loans originated in the moderate-income census tracts, when compared to the aggregate, is considered excellent.

### **III. Borrower Characteristics**

#### **HMDA-Reportable Lending**

The bank's HMDA loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes were compared to the median family income for the Boston MA-NH Metropolitan Statistical Area (MSA). These income figures are based on estimated Department of Housing and Urban Development (HUD) information. The incomes for 2001, 2002 and 2003 were \$70,000, \$74,200, and \$80,800, respectively.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

#### **2001-2002 HMDA-Reportable Loans**

The following table shows the number of HMDA-reportable loans granted to low, moderate, middle and upper-income borrowers in comparison to the number of households in the assessment area in each respective income group based on 1990 census data. In addition the distribution of the bank's loans among various borrower income levels was compared to that of all other HMDA-reporting lenders in the assessment area. The most recent data available for this analysis is for calendar year 2001. Refer to the following table for details.

<b><i>Distribution of HMDA Reportable Loans by Borrower Income</i></b>								
<b><i>Median Family Income Level</i></b>	<b><i>% Total Households</i></b>	<b><i>2001 Aggregate Lending Data (% of #)</i></b>	<b><i>2001</i></b>		<b><i>2002</i></b>		<b><i>Total</i></b>	
		<b><i>%</i></b>	<b><i>#</i></b>	<b><i>%</i></b>	<b><i>#</i></b>	<b><i>%</i></b>	<b><i>#</i></b>	<b><i>%</i></b>
<i>Low</i>	22.6	3.5	5	3.4	8	3.5	13	3.4
<i>Moderate</i>	15.3	14.2	29	19.2	46	19.9	75	19.6
<i>Middle</i>	20.1	24.5	57	37.7	79	34.2	136	35.6
<i>Upper</i>	42.0	40.7	58	38.4	91	39.4	149	39.0
<i>N/A</i>	-	17.1	2	1.3	7	3.0	9	2.4



<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>151</b>	<b>100.0</b>	<b>231</b>	<b>100.0</b>	<b>382</b>	<b>100.0</b>
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Source: 1990 U.S. Census, HMDA/LAR, and HMDA Aggregate Data

During the period examined, Hyde Park Savings Bank extended 13 loans to low-income borrowers representing 3.4 percent of the total loans originated within the assessment area. This is well below the 22.6 percent of low-income households within the assessment area. However, this disparity can be attributed to the fact that approximately 7.6% of these individuals are living below the poverty level making it difficult for such borrowers to achieve homeownership.

Hyde Park Savings Bank originated 75 loans to moderate-income borrowers, representing 19.6 percent of the total originations within the assessment area. This percentage exceeds the 15.3 percent of moderate-income households within the assessment area.

As shown above, the bank's percentage of loans to low-income borrowers mirrors that of the aggregate in 2001. The bank originated 3.4 percent of its loans to low-income borrowers, compared to the aggregate with 3.5 percent. However, the bank's lending to moderate-income borrowers surpassed aggregate. Hyde Park Savings Bank made 19.2 percent of its loans to moderate-income borrowers in comparison to the aggregate, which made 14.2 percent of all loans to that group.

ranked 16th in market share in lending to low and moderate-income individuals in the assessment area in 2001. The bank originated 34 loans to low and moderate-income borrowers, capturing 1.2 percent of the market. The number one lender to low and moderate-income borrowers was Fleet National Bank with 8.5 percent.

### 2003 HMDA-Reportable Loans

The following table shows the number of HMDA reportable loans in comparison to the number of households in each census tract for the period January 1, 2003 to June 3, 2003 based on 2000 census data.

<b><i>Distribution of HMDA Reportable Loans by Borrower Income</i></b>			
<b>Median Family Income Level</b>	<b>Total Households</b>	<b>YTD 2003</b>	
	<b>%</b>	<b>#</b>	<b>%</b>
<i>Low</i>	23.7	22	10.8
<i>Moderate</i>	15.8	54	26.6
<i>Middle</i>	19.0	62	30.6
<i>Upper</i>	41.5	63	31.0
<i>N/A</i>	-	2	1.0
<b>Total</b>	<b>100.0</b>	<b>203</b>	<b>100.0</b>

Source: 2000 U.S. Census, HMDA LAR, and HMDA Aggregate Data

The year-to-date June 3, 2003 lending data shows a dramatic increase in lending to low and moderate-income borrowers from the prior two years.

Based upon the above, Hyde Park Savings Bank has achieved a good distribution of HMDA-reportable loans by borrower income, demonstrating the bank's willingness to lend to borrowers of all income levels, including those of low and moderate-income.

#### **IV. Community Development Lending**

Hyde Park Savings Bank has granted a reasonable level of qualified community development loans.

The definition of community development includes providing affordable housing for low and moderate-income individuals, promoting activities for economic development by financing small businesses, and lending that revitalizes or stabilizes low or moderate-income geographies. A community development loan is a loan that:

- Has as its primary purpose community development
- Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family dwelling loan; and
- Benefits the bank's assessment area or a broader statewide or regional area that includes the assessment area.

Described below is the bank's community development lending activity.

***Boston Community Loan Fund.*** The bank holds a \$200,000 equity equivalent investment in this loan fund administered by Boston Community Capital, a certified Community Development Financing Institution (CDFI). As a CDFI, Boston Community Capital serves as a financial intermediary between institutions and individuals seeking to invest in community development projects and organizations throughout the greater Boston area, including the bank's assessment area. The bank's pro rata allocation of Boston Community Loan Fund lending, since its first contribution in December of 1998 is \$1,224,769.

#### ***Multi-Family Loans***

During 2001, 2002 and year-to-date June 3 2003, the bank originated 10 multifamily loans totaling \$3,417,000. Of the 10 loans granted during this period, nine loans totaling

\$3,072,000 were made within the bank's assessment area. Of these nine, five loans totaling \$1,718,000 were made in moderate-income tracts.

## ***V. Innovative or Flexible Lending Practices***

Hyde Park Savings Bank participates in a variety of loan programs aimed at meeting the credit needs of low and moderate-income homebuyers. Details of these programs are as follows.

**First-time Homebuyers Mortgage Loan Program:** HPSB's First Time Home-Buyers fixed-rate program provides r loans on one-to four- family owner-occupied dwellings and offers up to 95 percent financing at a reduced interest rate, with reduced closing costs, no points, a free interest rate lock for 60 days, and relaxed underwriting guidelines. The bank also offers an adjustable rate program with similar underwriting guidelines. In 2001, the bank originated 31 loans totaling \$6,260,675. In 2002 the bank granted six loans totaling \$1,205,750. Year-to-date June 3, 2003, HPSB has granted one loan to a first-time homebuyer for \$333,800.

**Free Choice Mortgage Loan Program:** This program was designed for low and moderate-income borrowers. Features include no points, no closing costs, and relaxed underwriting guidelines. Loans are for the purchase of one to four-family, owner-occupied dwellings. Qualified borrowers do not have to be first-time homebuyers. In 2001, the bank originated one loan for \$110,000. In 2002, there were no loans originated. Year-to-date June 3, 2003, 17 loans totaling \$1,338,906 have been originated.

**Lot to Build On Program:** This program is administered by the City of Boston's Public Facilities Department. The purpose of the program is to encourage reinvestment and development of affordable housing in Boston neighborhoods. Developers and homebuilders are allowed to purchase house lots from the city at below market prices. In 2001, the bank provided a \$135,000 loan under this program. No loans were granted in 2002 or 2003.

**Soft Second Mortgage Loan Program** This program is administered by the Massachusetts Affordable Housing Alliance, the Massachusetts Housing Partnership, the City of Boston, and the Massachusetts Department of Housing and Community Development and is designed for low and moderate-income first-time homebuyers in the City of Boston. The program divides a purchase mortgage into two parts, a first mortgage for no more than 77 percent of the value of the property and a second mortgage for no more than 20 percent. Borrowers are required to provide 3 percent equity. Borrowers are obligated to pay interest only on the second mortgage until the 10<sup>th</sup> year, at which time principle is also required to begin being repaid. This program has been developed in order to make homeownership more affordable, by eliminating the need for private mortgage insurance.

In 2001, the bank originated eight loans totaling \$692,550 under this program. No loans have been originated in 2002 and year-to-date June 3, 2003.

### **Municipal Mortgage Program**

During the first quarter of 2001, the bank in partnership with MassHousing (MHFA) introduced the Municipal Mortgage Program. Under this program, the bank offers 100% financing to qualified borrowers who are full-time municipal employees and wish to purchase a single family home or condominium in the city/town where they work. Terms include lower interest rates, lower attorney's fees, and flexible underwriting ratios. No loans were originated in 2001. In 2002, the bank originated two loans totaling \$398,500. Year-to-date June 3, 2003, no loans have been originated under this program`.

**Ecumenical Social Action Committee, Inc. (ESAC):** This committee is a community-based organization located in Jamaica Plain. The purpose of the organization is to address the multiple needs of at-risk low and moderate-income homeowners and prospective new homeowners. The bank has a working relationship with ESAC in providing refinancing of mortgage loans for those borrowers who have been the victims of financing scams or who have experienced financial difficulties. All of these loans have separate characteristics, which normally would disqualify them for conforming mortgage loan financing. No loans were granted in 2001. During 2002, the bank originated five loans totaling \$471,000. Year-to-date June 3, 2003, the bank originated one loan for \$150,000.

## **VI. Fair Lending Policies and Practices**

Hyde Park Savings Bank fair lending data was reviewed to determine how it relates to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy.

Bank management ascertains the credit needs of the assessment area through their involvement in several area community organizations and programs. The bank markets its services and products to the community through a variety of media including print, television, radio, and the Internet. Seminars are also conducted in order to make potential customers aware of the services the bank provides.

Hyde Park Savings Bank has a second and third review policy on all loans that are denied by the bank. The Vice President of Lending reviews the loan with the Consumer Loan Manager and Vice President & Residential Mortgage Officer. The application is then reviewed with the Chairman, President and C.E.O. of the bank to make sure there is a good reason for the loan denial. Twice monthly, the Loan Department prepares a report of

all declined and approved credit applications. This report is presented to the Board of Investment for their review. Information contained in this report allows the Board of Investment to observe the lending practices of the bank and to ensure that fair lending practices are being met.

The bank's Vice President & Residential Mortgage Officer conducts a quarterly in-depth loan analysis of the bank's HMDA/LAR data.

The bank's outside compliance firm conducts periodic HMDA and compliance audits.

### 2001-2002 Minority Application Flow (based on 1990 Census data)

Hyde Park Savings Bank's assessment area contains 221,924 individuals, 40,242 or 18.1 percent of whom are minorities. The assessment area's minority population is 0.2 percent Native American, 1.5 percent Asian, 13.0 percent Black, 3.3 percent Hispanic and 0.1 percent Other Race.

A review of residential loan applications was conducted in order to determine the number of applications the bank received from minorities. The bank received 418 residential loan applications from within its assessment area. During the period under review, 89 applications or 21.3 percent were received from minorities. Of these, 75 or 84.3 percent were approved. Refer to the following table for further details.

MINORITY APPLICATION FLOW*								
RACE	AGGREGATE DATA 2001		HYDE PARK SAVINGS BANK 2001		HYDE PARK SAVINGS BANK 2002		HYDE PARK SAVINGS BANK TOTAL	
	#	%	#	%	#	%	#	%
<i>Native American</i>	74	0.3	0	0.0	0	0.0	0	0.0
<i>Asian</i>	462	2.1	2	1.1	1	0.4	3	0.7
<i>Black</i>	2,033	9.1	27	15.3	34	14.1	61	14.6
<i>Hispanic</i>	755	3.4	9	5.1	2	0.8	11	2.6
<i>Joint</i>	268	1.2	1	0.6	11	4.6	12	2.9
<i>Other</i>	248	1.1	0	0.0	2	0.8	2	0.5
<b>Total Minority</b>	<b>3,840</b>	<b>17.2</b>	<b>39</b>	<b>22.1</b>	<b>50</b>	<b>20.7</b>	<b>89</b>	<b>21.3</b>
<i>White</i>	11,102	49.7	137	77.9	188	77.7	325	77.8
<i>NA</i>	7,376	33.1			4	1.6	4	0.9
<b>Total</b>	<b>22,318</b>	<b>100.0</b>	<b>176</b>	<b>100.0</b>	<b>242</b>	<b>100.0</b>	<b>418</b>	<b>100.0</b>

\*Source: PCI Services, Inc., CRA Wiz Software.

The bank's minority application flow for this review period was compared with the racial make-up of the assessment area. In addition, the application flow was compared to the 2001 aggregate data for all other HMDA reporters within the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's application flow.

The bank's minority application flow mirrors the racial composition of its assessment area for all applicants. In addition, the bank's minority application flow when compared to the other lenders within the assessment area exceeds the aggregate for the year 2001.

### **2003 Minority Application Flow (based on 2000 Census data)**

Hyde Park Savings Bank's assessment area contains 237,059 individuals, 69,005 or 29.1 percent of whom are minorities. The assessment area's minority population is 0.2 percent Native American, 2.6 percent Asian, 17.0 percent Black, 6.8 percent Hispanic and 2.5 percent Other Race.

A review of residential loan applications was conducted in order to determine the number of applications the bank received from minorities during this review period. The bank received 227 residential loan applications from within its assessment area. During the period under review, 36 applications or 15.9 percent were received from minorities. Of these, 27 or 75.0 percent were approved. Refer to the following table for further details.

<b>MINORITY APPLICATION FLOW</b>		
<b>RACE</b>	<b>HYDE PARK SAVINGS BANK 2003</b>	
	<b>#</b>	<b>%</b>
<i>Native American</i>	0	0.0
<i>Asian</i>	3	1.3
<i>Black</i>	21	9.3
<i>Hispanic</i>	6	2.6
<i>Joint</i>	5	2.2
<i>Other</i>	1	0.5
<b>Total Minority</b>	<b>36</b>	<b>15.9</b>
<i>White</i>	191	84.1
<b>Total</b>	<b>227</b>	<b>100.0</b>

Source: HMDA LAR

The above table demonstrates that the minority application flow has decreased from the previous period by approximately 4 percent. This has occurred while the bank's minority population has grown by 71.5 percent from the 1990 census to the 2000 census.

## ***VII. Loss of Affordable Housing***

The bank offers innovative and flexible credit services that are designed to make home ownership possible for existing low and moderate-income residents to remain in their neighborhoods.

### **CONCLUSION (Lending Test)**

Taking into account the number and amount of home mortgage loans in its assessment area, Hyde Park Savings Bank has demonstrated a good responsiveness to the assessment area's credit needs. A majority of the bank's loans are made within its assessment area and are well distributed throughout the communities within the assessment area. The bank's lending also demonstrates an excellent distribution of loans among individuals of different income levels. The institution has granted a reasonable level of community development loans, and participates in a variety of flexible-lending programs to address the credit needs of low and moderate-income individuals. In addition, the bank's fair lending performance was found to be satisfactory at this time. Overall, the institution's lending performance receives a rating of High Satisfactory.

## INVESTMENT TEST

As defined under the CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low and moderate-income geographies. Hyde Park Savings Bank is rated “High Satisfactory” in this area. The following describes the institution’s qualified investments.

### ***Investment Activity***

Total qualified investments, including the equity investments and contributions, amount to \$4,296,663. These qualified investments represented 5.5% of Tier 1 Capital of \$75,787,000, reported as of December 31, 2002. The bank has a significant level of qualified investment and grants in relation to its capital. Qualified investments for purposes of this evaluation consisted of a mix of investments other than cash donations to local nonprofit organizations. The following paragraphs represent the bank’s qualified investments and contributions:

**Government National Mortgage Association (GNMA)** Hyde Park Savings Bank has outstanding investments in two GNMA pass through pools. The GNMA securities are secured by two apartment complexes in Roslindale that provide affordable housing.

The first GNMA pass through issued on October 1, 1995 is secured by an apartment complex consisting of 136 units in six three-story buildings. The complex is called Florence Apartments and is located in a moderate-income census tract in Roslindale. Approximately, 93.0 percent of the units are targeted for Section 8 housing. The current book value of this security is \$1,189,113.

The second GNMA pass through also issued on October 1, 1995 represents the refinance of an apartment complex comprised of 235 units in three seven-story buildings. The complex is called Cummins Towers and is located in a moderate-income census tract in Roslindale as well. Approximately, 76.0 percent of the units are for Section 8 housing. The current book value of this security is \$1,588,112.



**Massachusetts Housing Investment Corporation (MHIC)** The bank has invested \$350,000 in a revolving loan pool administered by MHIC. MHIC is a non-profit corporation that focuses on the creation and preservation of housing for low- and moderate-income families. MHIC makes loans and investments throughout Massachusetts, including the greater Boston area. The loan pool is used to finance new construction, rehabilitation, and acquisitions of rental housing units in Massachusetts. In general, at least 50.0 percent of the units in a project must be affordable to low-income households, and 25 percent of the units must be restricted to remain affordable for the entire loan term.

**Massachusetts Business Development Corporation (MBDC):** The bank has an investment of \$42,938 outstanding with the MBDC. The organization funds small manufacturing companies located throughout Massachusetts. The MBDC loan pool benefits companies throughout Massachusetts, including businesses operating in the bank's assessment area.

**Access Capital Strategies Community Investment Funds:** The bank invested \$500,000 for the purchase of five shares of this fund in November 1998. The principal investment of the fund is a Freddie Mac Adjustable Rate Mortgage Backed Security. The issue represents a pool of 226 CRA qualified loans (affordable housing mortgages, community development loans, and small business loans) originated in Massachusetts (63%), Rhode Island (31%), and Connecticut (6%). This investment benefits a large geographic area that includes the bank's assessment area.

**The Boston Bank of Commerce** (now OneUnited Bank): Hyde Park Savings Bank has a \$100,000 certificate of deposit in this minority-owned bank. Invested funds are used to provide financing for small businesses and for residential mortgages in the low-and moderate-income urban neighborhoods of Boston.

**CRA Fund Advisors/CRA Qualified Investment Fund:** This is an institutional mutual fund that invests in CRA-related debt instruments such as mortgage backed securities issued by agencies such as FNMA, FHLMC, GNMA, and AAA-rated bond holders. Managers of the fund have been directed to select investments that directly relate to Hyde Park Savings Bank's assessment area. The bank has the option to select which funds it would like to participate in. During 2000, Hyde Park Savings Bank invested \$250,000 in this fund to purchase a GNMA revenue bond, which provided financing for a 75-unit assisted living facility located in the Mission Hill section of Boston. The renovated building will contain a combination of apartments along with special care residences for individuals suffering from dementia or who are in the early stages of Alzheimer's disease. During 2001, the bank invested an additional \$100,000 in this fund.

**Nuestra Comunidad Development Corporation:** In May 2003, the bank committed \$150,000 in collaboration with other local financial institutions in a \$1 million dollar New Market Tax Credit. This corporation located in Roxbury will use the proceeds from this investment to extend soft second commercial mortgages to business owners in the

Roxbury-Dorchester area. The business owners will use the funds to help finance the acquisitions of the buildings that house their businesses or purchase neighboring buildings that would be utilized for the same purpose. This will help prevent evictions from outside property owners who may want to convert the properties to other uses. The soft second loan will bridge the gap between the purchase prices and the amount of the first mortgage financing.

### ***Charitable Contributions***

The bank has provided contributions to organizations that provide education and training, affordable housing, youth programs, and health and human services for individuals in need. In 2001, 2002 and Year-to-date June 3, 2003, the bank provided \$41,125 in qualified contributions and grants, in support for development of facilities, which promote community development, as defined under the CRA regulation. Examples of recipients of these contributions include but are not limited to the Volunteers of America, the Hyde Park Main Streets Program, Hyde Park YMCA, West Roxbury YMCA, the United Way of Massachusetts Bay, Urban Edge Housing, and the Ecumenical Social Action Committee.

### **CONCLUSION (Investment Test)**

As depicted above, Hyde Park Savings Bank has a very good level of qualified community development investments and contributions, and has exhibited good responsiveness to credit and community economic development needs. The bank has also participated in innovative investments. Therefore, based on the bank's size and resources and the credit needs of the assessment area, the bank's investment performance is rated High Satisfactory.

## **SERVICE TEST**

The Service Test evaluates an institution's record of helping to meet the credit needs of residents within its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. As depicted below, Hyde Park Savings Bank has demonstrated an excellent level of services within its assessment area, including the delivery of retail services and community development service activities.

The bank's systems for delivering retail-banking services are accessible to geographies and individuals of all income levels throughout its assessment area. The bank's retail services, including business hours, are tailored to the convenience and needs of its assessment area.

Additionally, Hyde Park Savings Bank's officers and employees at all levels have taken active roles in providing community development services to groups and individuals throughout the assessment area. The following describes the institution's retail and community development services.

### **RETAIL BANKING SERVICES**

Hyde Park Savings Bank is headquartered at 1190 River Street in the Hyde Park section of Boston, Massachusetts and is located in a moderate-income census tract. The bank operates three full service branch office locations. The full service branch offices are located in Hyde Park on Truman Parkway, Dedham and Norwood. These branches are located in a middle-income, upper-income and middle-income census tract respectively.

Hours vary from branch to branch, but each of the four full-service branches offers extended lobby, drive-up and/or walk-up hours that range from 5:30 to 8:00 PM at least two days per week. Each branch offers Saturday hours. The hours start from 8:30 AM to noon at the main office; 9:00 AM to 1:00 PM at the Norwood branch office, 9:00 AM to 2:00 PM at the Dedham branch office and 8:30 AM to 2:00 PM at the Truman Parkway branch office. The

unique business hours improve availability of services for low- and moderate-income people, since such individuals are more likely to work unconventional hours.

### **Record of Opening and Closing Branches**

Hyde Park Savings Bank maintains a Branch Opening and Closing Policy that is reviewed and approved on an annual basis by the Board. No banking offices have been opened or closed since the previous examination. However, there are approved plans to open a branch in the West Roxbury section of Boston, which is scheduled to open in early 2004.

### **Alternative Retail Banking Services**

Drive-up teller service is provided at all but one (Dedham) office location. Automatic teller machine (ATM) service is offered at all locations. ATM networks include Cirrus and NYCE. The bank is a member of the ATM surcharge free SUM alliance of institutions. HPSB's ATM customers are offered the added convenience of the MasterMoney Check Card, which can be used to make purchases in addition to serving as an ATM card.

Customers of the bank can use the convenient "Bank by Mail" service. This service allows customers who are unable to get to a branch to maintain access to bank services through the mail. The bank absorbs postage costs associated with this service.

The bank provides customers and others with product and service information by way of its Internet web site. Customers have the ability to download consumer credit applications. In addition, the web site can be used to calculate financial information associated with a mortgage loan.

The bank has a 24-hour Bank-by Phone Program. Customers can use the service to check deposit account balances, make transfers and loan payments, and obtain information regarding current rates on deposit accounts.

### **Other Retail Services**

HPSB continues to provide "Credit Helper" service at each office location. By utilizing branch managers and loan personnel this service primarily offers credit counseling. Customers experiencing serious credit problems are also referred to the Consumer Credit Counseling Service of Massachusetts. In addition, answers to other credit related questions for customers are provided.

HPSB established a "Second Opinion" mortgage review. In an effort to help protect customers and non-customers from questionable mortgage origination practices, the bank will provide the individuals with a loan representative free of charge. The representative will review their loan for reasonableness and competitiveness.

HPSB also participates in the Massachusetts Community Banking Council's (MCBC) Basic Banking Program by offering basic checking and savings accounts with specific features tailored to meet the needs of low- and moderate-income individuals. The bank specifically does not charge any monthly maintenance fees on its low-cost accounts.

## **COMMUNITY DEVELOPMENT SERVICES**

Officers of the bank are also actively involved in various local community development and nonprofit organizations. Listed below are some notable examples:

- Ecumenical Social Action Committee: The Vice President/Mortgage Officer is a director of this non-profit community service organization. The organization is involved primarily in housing related for low and moderate-income residents within the Greater Boston area. The bank's officer provides financial expertise in the administration of the organization's programs.
- Hyde Park & Roslindale Main Streets Program: The Vice President of Operations serves on the Hyde Park Main Streets advisory committee and is involved in fundraising activities. The purpose of the program is to revitalize the Hyde Park and Readville business districts. The organization administers grants to fund local community events and storefront improvements to assist local businesses. The bank's Vice President of Human Resources serves in the same capacity in the Roslindale Main Streets Program.
- Massachusetts Community and Bank Council (MCBC): A Vice President serves as a member of the MCBC's Mortgage Lending Committee, CRA Regulators Committee and Board of Directors. This organization is a partnership of financial institutions and community organizations that focus on ensuring that the banking and credit needs of low and moderate-income individuals and geographies are addressed.

Various branch managers and other junior and senior officers are involved in community organizations. These include, Hyde Park Neighborhood Associations, Dedham Lyons, Dedham Rotary, Milton Rotary, West Roxbury YMCA, West Roxbury Rotary and NeponsetValley Chamber of Commerce.

## **Educational Services and Seminars**

Hyde Park Savings Bank has conducted and participated in seminars designed to educate consumers about banking and products available to meet their specific needs. These events provide opportunities for bank representatives to inform those in attendance about the products and services that are offered by the bank and to gain information about credit needs in the community. The bank's involvement since the previous examination is detailed below.

Homes for Sale Showcase: The bank sponsors this annual seminar to bring potential homebuyers and local realtors together. The bank provides a mortgage loan prequalification service at each seminar. The latest seminars were held in West Roxbury on March 26, 2001, March 26, 2002 and March 26, 2003.

Preparing for Successful Homeownership: On June 30, 2001, the bank participated in this festival organized by the Citizens' Housing and Planning Association (CHAPA). This event was identified as a Boston Community Bi-Lingual Homebuyer/Homeowners Festival. The festival was designed to provide potential and existing homeowners information about various affordable homeownership programs and the homebuying process. Several of the workshops were given in both English and Spanish. Approximately 250 consumers and 34 vendors attended the event.

### **Foreclosure Prevention Projects**

Hyde Park Savings collaborates with the Ecumenical Service Action Committee of Jamaica Plain as part of its Sustainable Homeownership Program. The goal of the program is to prevent needless home foreclosures. Homeowners on the verge of foreclosure are counseled by ESAC and referred to participating lenders. HPSB has financed several homeowners out of foreclosure since the inception of this program.

In addition to the above, HPSB is also a participant in the Massachusetts Bankers Association Foreclosure Prevention Project. The project is a cooperative program providing financial counseling to low and moderate-income homeowners. Participating member banks provide support for the development and distribution of consumer education materials designed to help homeowners avoid or address mortgage default.

### **CONCLUSION (Service Test)**

As illustrated above, Hyde Park Savings Bank has demonstrated a good level of service activity and involvement in community organizations throughout its assessment area, primarily for community development related to the provisions of financial services. The bank's products and alternative banking services are tailored to the convenience and needs of its assessment area. Therefore, a rating of High Satisfactory is warranted.

## **APPENDIX A**

### **SCOPE OF EXAMINATION**

Hyde Park Savings Bank has one assessment area that was reviewed using the examination procedures for large banks. The assessment area changed in 2003 with the addition of the Town of Walpole and the elimination of the Town of Westwood. Additionally the 2003 assessment area was evaluated utilizing 2000 Census data.

The CRA evaluation included HMDA-reportable loans. The time period used for HMDA-reportable and small business loans was January 1, 2001 to June 3, 2003.

Qualified investments were also reviewed. The bank's investments exhibit a good responsiveness to credit and community economic development needs.

In addition, the bank's systems for delivering retail banking services and the provision of community development services were considered good.

Internal analysis generated by management was reviewed during the examination, as was comparative data for the assessment area obtained from CRA WIZ. The examination also included a review of the bank's Public File, which contained no negative CRA-related comments.

**THE COMMONWEALTH OF MASSACHUSETTS**

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

**HYDE PARK SAVINGS BANK**

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **MAY 27, 2003**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_



## PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area , each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.